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Environment statistics

London Group on Environmental Accounting

Note by the Secretary-General

The Secretary-General has the honour to transmit to the Statistical Commission the report of the London Group on Environmental Accounting (secretariat: Canada), which is contained in the annex. The report is transmitted to the Commission in accordance with a request of the Statistical Commission at its twenty-ninth session,[1] and a request of the Working Group on International Statistical Programmes and Coordination at its nineteenth session (E/CN.3/1999/20, para. 13 (c)).

The Statistical Commission is invited to discuss whether the mandate of the group is focused and whether its objectives are clear and attainable. The Commission may also wish to comment on the proposals for future work.

* E/CN.3/1999/1.

[1] See *Official Records of the Economic and Social Council, 1997, Supplement No. 4* (E/1997/24), paras. 13 (e) and 23 (d).

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Annex

Report of the London Group on Environmental Accounting

Purpose

To provide an annual forum for leading countries and international organizations to exchange practical and conceptual expertise with respect to the development of environmental accounts linked to the System of National Accounts. To make available to the general public in print and electronic forms the material brought forth for discussion by these countries and organizations. To play a leadership role in defining international standards in the theory and practice of environmental accounting.

Year organized

1994.

Participants

Australia, Austria, Canada, Denmark, Finland, France, Germany, Italy, Japan, Netherlands, Norway, Sweden, United Kingdom of Great Britain and Northern Ireland, United States of America, Statistical Office of the European Communities, Organisation for Economic Cooperation and Development, World Bank, United Nations Statistics Division and various invited representatives of other organizations.

Meetings

London, March 1994.

Washington, D.C., March 1995.

Stockholm, May 1996.

Ottawa, June 1997.

Fontevraud, France, May 1998.

Topics considered

Broadly speaking, topics covered by the Group to date include:

(a) Environmental alternatives and adjustments to gross domestic product, and their pros and cons;

(b) Development of natural resource (or natural patrimony) accounts in physical and monetary terms for forests, sub-soil assets, water and other resources;

(c) Use of input-output techniques in environmental accounting, particularly in material flow accounting;

(d) Measurement of depletion of natural resources in physical and monetary terms and its proper treatment in the System of National Accounts;

(e) Comparison of various methods for the valuation of environmental degradation;

(f) The use of social accounting matrices for environmental accounting;

(g) Environmental protection expenditure accounting.

In addition to these specific topics, the Group discusses each year the conceptual and empirical progress made in each member country.

Products

A collection of papers and proceedings has been compiled after each meeting, as follows:

(a) United States Bureau of Economic Analysis, "Second meeting of the London Group on Natural Resource and environmental Accounting", conference papers, March 1995;

(b) Statistics Canada, "National accounts and the environment", papers and proceedings from a conference held in London, March 1994;

(c) Statistics Sweden, "Third meeting of the London Group on Natural Resource and Environmental Accounting" proceedings, May 1996;

(d) "National accounts and the environment", papers and proceedings from a conference, Statistics Canada, 1998 (also available on the Internet).

The proceedings of the 1998 London Group meeting held at Fontevraud, France will be published in late 1998 or early 1999 by the Institut français de l'environnement.

An internet Web site is maintained by the London Group secretariat (Statistics Canada) at:

www.statcan.ca/secure/english/citygrp/london/london.htm

Planned activities

The next meeting of the London Group will be hosted by the Australian Bureau of Statistics, from 15 to 19 November, 1999 at Canberra.

The Group's work plan for the period 1998/1999 is centred on the planned revision of the United Nations draft handbook on the system of integrated environmental-economic accounting (SEEA). The Group has proposed a chapter structure for a revised version of this handbook, and has established working groups to begin drafting the material that will eventually be recommended to the United Nations Statistics Division for inclusion in a revised SEEA manual.

Beyond contributing to the SEEA revision, the work of the Group in the next few years will focus on:

(a) Resolving outstanding issues that the Group has already discussed: depletion of market resources, valuation of market resources, valuation of degradation etc.

(b) Exploring new areas: uses and applications of environmental accounts, more complex accounts covering non-market and/or qualitative aspects of the environment, and linkage of environmental expenditure and waste flow data.

Expected future products (dates)

The following schedule has been established for the release of material related to the SEEA manual revision:

15 December 1998	Draft annotated chapter outlines
15 March 1999	Revised draft annotated chapter outlines or draft chapters
15 August 1999	Final annotated chapter outlines or draft chapters submitted for review at Canberra

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United Nations E/CN.3/1999/14

Economic and Social Council

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Statistical Commission
Thirtieth session
1–5 March 1999
Item 6 of the provisional agenda*
Statistical implications of recent major United Nations conferences

Harmonization and rationalization of development indicators in the United Nations system

Report of the Secretary-General

Summary

At its twenty-ninth session, the Statistical Commission endorsed a set of 15 indicators as the Minimum National Social Data Set (MNSDS), and agreed that implementation and use of the indicators should be considered at its thirtieth session. The Commission also encouraged the United Nations Statistics Division to continue its work on the inventory of data collection within the system.

The present report describes the Division's efforts towards compiling these indicators in order to assess the availability of data at the international level. It also describes a parallel indicator project that has developed from the decisions and recommendations of several United Nations bodies, such as the Executive Committee for Economic and Social Affairs, the ACC Subcommittee for Statistical Activities and the Economic and Social Council.

* E/CN.3/1999/1.

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Contents

		Paragraphs	Page
I.	Introduction	1	3
II.	Trial compilation of the Minimum National Social Data Set (MNSDS)	2–20	3
	A. Availability of data at the international level	6–11	3
	B. Use of supplementary national sources	12–14	4
	C. Conclusions from the trial compilation of the Minimum National Social Data Set	15–20	4
III.	Towards a more integrated and coordinated follow-up of major United Nations conferences and summits	21–32	4
	A. Inventory of development indicators	26–29	5
	B. Assessment of impact on countries	30	6
	C. Indicators for common country assessment in the United Nations Development Assistance Framework	31–32	6
IV.	Points for discussion	33–34	6
Annexes			
I.	Minimum National Social Data Set		7
II.	Data availability at the international level, by indicator and region		8
III.	Availability of data at the international level, by indicator, region and recency of data		9
IV.	Harmonization and rationalization of development indicators: problem statement and steps towards a solution		11

I. Introduction

1. The present report is divided into two principal sections. Section II presents the results of the United Nations Statistics Division's trial compilation of the Minimum National Social Data Set (MNSDS) at the international level; it addresses the questions posed by the Working Group on International Statistical Programmes and Coordination with respect to MNSDS. Section III covers developments within the system on the coordinated follow-up to major United Nations conferences and the new directions to the Division's work on indicators. Points for discussion conclude the report in section IV.

II. Trial compilation of the Minimum National Social Data Set

2. At its twenty-ninth session, the Statistical Commission endorsed a core set of 15 social indicators, the Minimum National Social Data Set (MNSDS), that can be used to monitor the major areas of concern addressed by recent international conferences (see annex I for the endorsed list). The Commission also invited users to build on MNSDS to meet national needs and circumstances, and to provide feedback on the implementation and use of MNSDS.[1]

3. The Working Group on International Statistical Programmes and Coordination, at its nineteenth session, endorsed the progress made on the implementation of MNSDS, and requested the Secretariat to continue its work on indicators. The Group also emphasized that the work was to be undertaken in the context of strengthening national statistics data-collection capabilities (see E/CN.3/1999/20, para. 19).

4. Following these recommendations, a trial compilation of MNSDS was prepared by the United Nations Statistics Division, based initially on official national data reported to or compiled by international agencies, and supplemented by national reports. In the compilation, only the most recent data available for the period between 1985 and the present were included. An exception was made for the indicator "Average number of persons per room", for which the period of coverage was extended to *beginning 1980*, because (a) the last international data-collection effort for this indicator was made in 1994, and (b) the data are census-based and therefore often available only once in 10 years, with substantial reporting delay.

5. Given that one of the primary goals for the compilation was to identify gaps and areas requiring greater attention by national and international statistical systems, smoothed, model-based or other estimated data and projections prepared by international organizations were purposely excluded.

A. Availability of data at the international level

6. For the trial compilation of MNSDS, the published international sources used are: *Compendium of Human Settlements Statistics 1995*, *Demographic Yearbook 1996*, *Population and Vital Statistics Report: Data available as of 1 July 1998*, *World Population Monitoring 1998* and *Yearbook of Labour Statistics 1997*. In addition, the International Labour Office, the World Health Organization and the Economic Statistics Branch of the United Nations Statistics Division provided files from their respective databases.

7. The trial compilation proceeded without three indicators, which are not available in international compilations: average number of years of schooling completed, monetary value of the basket of food needed for minimum nutritional requirement, and household income per capita (level and distribution).

8. The availability of data at the international level varies widely by indicator. Total population data are available for all but four of a total of 195 countries; however, population by age and sex is available for only 158 countries. Other indicators that have fairly wide availability are access to safe water (155 countries), access to sanitation (167 countries), life expectancy at birth (104 countries), per capita gross domestic product (GDP) (172 countries) and contraceptive prevalence among women in union (128 countries). The remaining indicators are available for less than half of the countries (see annex II).

9. Data availability at the international level varies widely across regions. Population by sex and age is generally available, except for countries of Africa and Asia: 18 of 54 countries in Africa and 10 of 48 countries in Asia have no data which are more recent than 1985 in the latest *Demographic Yearbook* (see annex III). The basic mortality indicators – infant mortality, child mortality and maternal mortality – are available for most countries in Europe, for slightly more than half of the countries in the Americas, and less than half of the countries in Asia and Oceania, but for very few countries in Africa. This data gap is primarily due to the absence of a well-functioning vital registration system.

10. The data available and published in international publications for the countries in Africa, the Americas, Asia and Oceania are generally not as recent as those for the countries in Europe. For the MNSDS indicators, with the exception of estimated total population and access to safe water and sanitation, the latest data available for most of the countries in Africa, the Americas, Asia and Oceania are dated between 1985 and 1994, whereas those for the countries in Europe are mostly for 1995 or later.

11. Two of the MNSDS indicators are not as widely reported by countries in Europe as by countries in other regions: access to safe water (reported by 18 out of 42 countries) and contraceptive prevalence (reported by 17 countries).

B. Use of supplementary national sources

12. The data provided by published international statistical sources were supplemented by data obtained from national census reports and other national statistical publications currently available in the Demographic Statistics Section and the United Nations Statistics Library. The data provided by 15 countries in response to the United Nations Statistics Division letter about MNSDS were also reviewed and incorporated, as appropriate.

13. The amount of additional or more recent information obtained from national sources is quite substantial, especially for population by sex and age, life expectancy, infant mortality rate and maternal mortality ratio. However, a major problem in the use of supplementary national sources is the lack of uniformity in the definition of the indicators considered and in the data-collection and reporting practices of countries.

14. Based on the supplemented trial international compilation, the Division has prepared individual country sheets that will be sent to countries in November 1998 for review and possible supplementing or updating.

C. Conclusions from the trial compilation of the Minimum National Social Data Set

15. The trial compilation of MNSDS reveals many data gaps at the international level. Besides coverage, the age of the data is also a problem. The paucity of data is specially evident for Africa, and to a lesser degree for Asia. Using available national reports improved the coverage and produced more recent data in many cases.

16. Three of the MNSDS indicators were not included in the trial compilation. The first, "Average number of years of schooling completed", while not compiled internationally, may be calculated if countries have detailed data on educational attainment by grade. The second, "Household income per capita", is likely to be available at the national level, but the quality, comparability and usefulness of the indicator at the international level has to be considered. As to the third indicator, "Monetary value of the basket of food needed for minimum nutritional requirement", no clear specification has been found for calculating it.

17. From the country responses received in connection with MNSDS, it is clear that simply providing countries with the list of indicators is not sufficient for national implementation of MNSDS. The United Nations Statistics Division is therefore providing countries a set of clear definitions for each indicator to guide them in their implementation of MNSDS.

18. One issue regarding comparability of international data related to MNSDS is the lack of uniformity across countries in the concepts and methods used in data collection, processing and reporting. Furthermore, although some countries have documentation on concepts, data collection and estimation methods, others do not have such information easily available.

19. Another issue to consider in the comparability of data is the reliability and quality of the data being compared. The quality of statistical data reported to the international statistical systems varies greatly across countries. In some cases, the reliability of the collected data has been assessed and analysed in various degrees to allow adjustments to be made prior to reporting, but in many others no assessments are made and the quality of the data is unknown.

20. As a next step to assessing the availability and quality of data for MNSDS, the Division will conduct two country missions in the first half of 1999. The missions will identify deficiencies in the scope, quality and timeliness of demographic and social data, and will propose ways of improving these statistics.

III. Towards a more integrated and coordinated follow-up of major United Nations conferences and summits

21. The United Nations Statistics Division was invited by the Executive Committee on Economic and Social Affairs

to submit a report reviewing the situation with respect to the proliferation of indicators and the problems this raised, particularly for countries. The report (see annex IV) was discussed at the tenth meeting of the Committee (New York, 16 May 1998), which decided that the Division, in continued cooperation with statistical units of both United Nations and non-United Nations entities, should start preparing an inventory of development indicators.[2] Furthermore, an Internet Web site containing the inventory and information related to the project is to be constructed with the assistance of the Division.

22. The Administrative Committee on Coordination (ACC) Subcommittee for Statistical Activities considered the proposed work on indicators at its thirty-second session, held in June 1998. The Subcommittee supported the establishment of a development indicators Web site, and welcomed the offer of the Division to provide substantive support to and work with the agencies in the preparation of their information for the proposed Web site (see ACC/1998/14, para. 2 (a)).

23. The issue of development indicators was also taken up in a panel discussion at the session of the Economic and Social Council on the integrated and coordinated implementation and follow-up of major United Nations conferences and summits (New York, 13–15 May 1998). One of the panel's conclusions was that in order to effectively monitor progress in the implementation of conferences at the country level there is an urgent need for the multilateral system to develop a coherent set of basic indicators, as well as a need to strengthen the capacity of the United Nations system and of countries to collect and analyse statistics (see E/1998/90, para. 5, broad area VI).

24. In its decision 1998/290 of 31 July 1998, the Economic and Social Council decided to hold an informal meeting of the Council with panels of experts to consider in a comprehensive manner the work being carried out by the United Nations system, and other relevant international and national institutions, on basic indicators to measure progress towards the implementation of the integrated and coordinated follow-up of all aspects of major United Nations conferences and summits in the economic, social and related fields at all levels with a view, as a first step, to taking stock and identifying duplication and gaps. The United Nations Statistics Division is responsible for preparing the main report that is to be considered by informal meeting.

25. As a result of these decisions and recommendations, the Division has initiated an indicator project, which consists of the following three main activities:

(a) Taking an inventory of development indicators to determine the state of production and dissemination of indicators within and outside the United Nations system;

(b) Assessing the impact on countries of the proliferation of indicator sets, with their inherent reporting requirements at the national level;

(c) Collaborating with agencies and international organizations on ongoing initiatives to develop indicators for monitoring conference goals and programmes.

A. Inventory of development indicators

26. The first phase of the indicator project covers three agencies (Food and Agriculture Organization of the United Nations, International Labour Organization and United Nations Educational, Scientific and Cultural Organization), divisions within the Department of Economic and Social Affairs of the United Nations Secretariat and two or three countries. After the initial information-gathering missions have been completed, other agencies, such as the World Bank and the Organisation for Economic Cooperation and Development, will be included.

27. The main focus of the work includes:

(a) Establish an inventory of indicators within the United Nations system that differentiates between sets of indicators unique to particular agencies and those compiled by two or more agencies;

(b) Identify overlaps, close associations, gaps and inconsistencies among the various sets of development indicators that are currently being produced;

(c) Create a Web site that will provide users with a roadmap to existing development indicators.

28. The Division has developed a framework for collecting relevant information about the development of indicators by agencies, and will revise the framework based on the experience from the first phase of information-gathering. In order to guide the next phase of the work, the report to be submitted to the informal meeting of the Council (see para. 24 above) will present the findings with respect to commonalities, gaps and inconsistencies; the usefulness of indicators in monitoring goals; and the impact on countries.

29. The schedule for presenting the report to the informal Council meeting calls for it to be ready by 1 April 1999. It will not be possible to provide the draft report to the Statistical Commission in English and all the other official languages; however, the Commission will be briefed on the main results and conclusions of the study.

B. Assessment of impact on countries

30. The United Nations Statistics Division proposes to conduct missions to three of the pilot countries under the United Nations Development Assistance Framework (UNDAF). The purpose of the missions will be to assess the extent to which countries are being required by different agencies to compile indicators and the additional burden that such requests place on countries, as well as the effect that these requests may have on the regular statistical work of the national statistics offices.

C. Indicators for common country assessment in the United Nations Development Assistance Framework

31. A comparison of the MNSDS indicators and the indicators proposed for the common country assessment under UNDAF shows that eight of the 15 MNSDS indicators are found in the assessment's provisional set of 36 indicators. Two others are somewhat similar: child mortality (1–4 years) and GDP per capita are presented in MNSDS, whereas in the assessment set, under-five mortality (0–5 years) and gross national product (GNP) per capita are proposed. The common country assessment indicators are in the process of being tested in 18 countries, and are currently being reviewed on the basis of experience in their compilation in countries.

32. The United Nations Statistics Division is participating in the UNDAF process to review and revise the list of development indicators to be used as a core set of indicators for the common country assessment under UNDAF. The Division serves on the Working Group on Indicators that the United Nations Development Group has constituted to undertake this work. In order to establish links between UNDAF and the Division's indicator project some of the countries to be visited will be selected from among the UNDAF pilot countries.

IV. Points for discussion

33. The Commission may wish to:

(a) Comment on the design of the indicator project with respect to its objectives and outputs, completeness of the coverage, including agency and country assessments, and proposed activities;

(b) Critically assess the activities undertaken and the initial results;

(c) Provide guidance on the next steps to be taken in the project.

34. The Commission may wish also to review MNSDS in the context of the larger indicator project.

Notes

[1] See *Official Records of the Economic and Social Council, 1997, Supplement No. 4* (E/1997/24), para. 67.

[2] See conclusions and decisions of the Executive Committee on Economic and Social Affairs, tenth meeting, 16 May 1998.

Annex I

Minimum national social data set*

1. Population estimates by sex, by age, and where appropriate and feasible, by ethnic group.
2. Life expectancy at birth, by sex.
3. Infant mortality, by sex.
4. Child mortality, by sex.
5. Maternal mortality.
6. Contraceptive prevalence.
7. Average number of years of schooling completed, by urban/rural, by sex, and where possible, by income class.
8. Average number of persons per room, excluding kitchen and bathroom.
9. Access to safe water.
10. Access to sanitation.
11. Monetary value of the basket of food needed for minimum nutritional requirement.
12. Gross domestic product (GDP) per capita.
13. Household income per capita (level and distribution).
14. Unemployment rate, by sex.
15. Employment-population ratio, by sex, and where appropriate, by formal and informal sector.

* The minimum list is contained in the report of the Expert Group on the Statistical Implications of Recent Major United Nations Conferences (E/CN.3/AC.1/1996/R.4); it was endorsed by the Statistical Commission at its twenty-ninth session, as recommended by the Working Group on International Statistical Programmes and Coordination, with the substitution of the indicator "Contraceptive prevalence" in place of the indicator "Percentage of infants weighing less than 2,500 grams at birth, by sex" (see *Official Records of the Economic and Social Council, 1997, Supplement No. 4* (E/1997/24), para. 67).

Annex II

Data availability at the international level, by indicator and region

Indicator[a]	Number of countries with data					
	Total	Africa	Americas	Asia	Europe	Oceania
(Total no. of countries)	(195)	(54)	(39)	(48)	(42)	(12)
Total population	191	52	39	46	42	12
Population by sex and age	158	36	35	38	40	9
Life expectancy at birth	104	10	24	28	37	5
Infant mortality rate	93	6	21	23	38	5
Child mortality rate	96	8	25	22	36	5
Maternal mortality ratio	78	4	22	15	35	2
Contraceptive prevalence, women in union	128	40	29	36	17	6
Ave. number of persons per room	37	3	11	8	13	2
% with access to safe water	155	52	34	42	18	9
% with access to sanitation	167	51	32	42	32	10
Per capita gross domestic product	172	50	39	39	36	8
Unemployment rate	87	5	26	17	36	3
Employment population ratio, ages 15-64	66	3	26	12	23	2

[a] The three indicators which are not part of the trial compilation are not shown here.

Annex III

Availability of data at the international level, by indicator, region and recency of data

Indicator[a]	Data availability and recency of data	Number of countries					
		Total	Africa	Americas	Asia	Europe	Oceania
(Total number of countries)		(195)	(54)	(39)	(48)	(42)	(12)
Total population	With data	191	52	39	46	42	12
	1995 or later	139	27	31	35	38	8
	1990-1994	40	18	7	9	4	2
	1985-1989	12	7	1	2	0	2
	No recent data	4	2	0	1	0	0
Population by sex and age	With data	158	36	35	38	40	9
	1995 or later	72	10	17	18	26	1
	1990-1994	62	19	14	13	13	3
	1985-1989	24	7	4	7	1	5
	No recent data	37	18	4	10	2	3
Life expectancy at birth	With data	104	10	24	28	37	5
	1995 or later	37	3	9	6	19	0
	1990-1994	45	3	10	13	15	4
	1985-1989	22	4	5	9	3	1
	No recent data	91	44	15	20	5	7
Infant mortality rate	With data	93	6	21	23	38	5
	1995 or later	57	1	10	9	34	3
	1990-1994	27	3	9	10	4	1
	1985-1989	9	2	2	4	0	1
	No recent data	102	48	18	25	4	7
Child mortality rate	With data	96	8	25	22	36	5
	1995 or later	31	2	2	6	20	1
	1990-1994	52	3	19	12	16	2
	1985-1989	13	3	4	4	0	2
	No recent data	99	46	14	26	6	7
Maternal mortality ratio	With data	78	4	22	15	35	2
	1995 or later	27	0	4	5	18	0
	1990-1994	42	2	14	8	16	2
	1985-1989	9	2	4	2	1	0
	No recent data	117	50	17	33	7	10

Indicator[a]	Data availability and recency of data	Number of countries					
		Total	Africa	Americas	Asia	Europe	Oceania
Contraceptive prevalence, women in union	With data	128	40	29	36	17	6
	1995 or later	24	13	6	4	1	0
	1990-1994	75	21	13	26	13	2
	1985-1989	29	6	10	6	3	4
	No recent data	67	14	10	12	25	6
Ave. number of persons per room	With data	37	3	11	8	13	2
	1990-1994	16	2	6	1	6	1
	1980-1989	21	1	5	7	7	1
	No recent data	158	51	28	40	29	10
% with access to safe water	With data	155	52	34	42	18	9
	1994-1996	119	39	33	32	9	6
	1986-1993	36	13	1	10	9	3
	No recent data	40	2	5	6	24	3
% with access to sanitation	With data	167	51	32	42	32	10
	1994-1996	111	34	30	33	9	5
	1986-1993	56	17	2	9	23	5
	No recent data	28	3	7	6	10	2
Per capita GDP	With data	172	50	39	39	36	8
	1995 or later	64	8	14	21	20	1
	1990-1994	94	33	22	17	16	6
	1985-1989	14	9	3	1	0	1
	No recent data	23	4	0	9	6	4
Unemployment rate	With data	87	5	26	17	36	3
	1995 or later	60	1	16	12	28	3
	1990-1994	27	4	10	5	8	0
	No recent data	108	49	13	31	6	9
Employment-population ratio, ages 15-64	With data	66	3	26	12	23	2
	1995 or later	55	2	19	11	22	1
	1990-1994	9	0	6	1	1	1
	1985-1989	2	1	1	0	0	0
	No recent data	129	51	13	36	19	10

[a] The three indicators which are not part of the trial compilation are not shown here.

Annex IV

Harmonization and rationalization of development indicators: problem statement and steps towards a solution

A. Problem statement

1. Relevant, timely and reliable statistics and indicators are needed to monitor progress towards concrete policy goals, such as those formulated by recent global conferences. As a consequence, a number of agencies within and outside the United Nations system are defining new sets of development indicators in the areas of their mandates. These indicators are disseminated in programme reports, statistics-based publications and Web sites.

2. The term indicator refers here to data and "simple" statistical composites (e.g., gross domestic product and life expectancy), which are recognized as analytic decision-making tools; highly composite index-type indicators (e.g., human development index) are explicitly excluded.

3. The main problems can be stated as follows:

(a) *Proliferation of indicators*. The sheer volume of development indicators and the lack of information on how similar indicators are related makes it difficult for analysts and decision makers to use them;

(b) *Inconsistencies among indicators*. Despite references to seemingly identical indicators, there exist differences in the definition, in the use of data sources, in the compilation method, in the periodicity etc., which lead to different numerical values;

(c) *Validity of indicators*. Sources, definitions and compilation/estimation methods are not always made explicit. The lack of adequate referencing and of technical notes deprives the user of making an informed quality assessment;

(d) *Separation of indicator development from basic data collection at the country level*. Insufficient attention is given to improving the quality and comprehensiveness of basic data from which indicators are derived;

(e) *Overburdening of national statistical systems*. Competing demands and poor overlap[a] of internationally formulated indicator sets increase the reporting burden of national statistical agencies. Ad hoc requests by international agencies lead to ad hoc data collection, crowding out limited financial and human resources, and thus interfering with regular national statistical programmes;

(f) *Inefficient use of statistical resources*. Agencies do not currently share information coming from the country level optimally. There are potential efficiency gains to be made by better organizing the flow of information.

B. Objective

4. The overall objective is to provide analysts and decision makers at the national and international level with a sufficient number of relevant, timely and reliable development indicators. This requires a more concerted effort to improve data at the country level on a limited number of indicators. Furthermore, these indicators need to be consistent in definitions, value and use, irrespective of which agency or institution is producing and/or disseminating them.

5. Elements of an improved situation could include the following:

(a) *An "architecture" of indicators:* establish a shared understanding of a structure of indicators that distinguishes between common indicator sets, shared by two or more agencies and individual add-ons. A short and focused selection of indicators could constitute the core group;

(b) *Well defined channels of information flow*: agree upon a division of labour among international agencies with regard to indicators or sets of related indicators. The responsibility of a designated agency ("sponsor") would entail the collection of basic data from the countries, the compilation of indicators and their effective dissemination to relevant users;

(c) *Uniformity, transparency and quality*: for identical indicators, use common definitions, sources and methods; for all indicators, systematically reference basic data used and make estimation procedures more transparent; make data and metadata accessible on an electronic platform in the Internet.

C. Previous/ongoing coordination efforts

6. At the request of the Administrative Committeee on Coordination (ACC) Task Force on an Enabling Environment for Economic and Social Development, the United Nations Statistics Division has developed a model database for indicators produced and published in the United Nations system. The Division has tested the database by preparing an inventory of its own indicators. The Division subsequently approached the ACC Subcommittee for Statistical Activities at its thirty-first meeting (1997) to provide inputs for the United Nations system-wide extension of the indicator inventory. While some members considered that such an inventory could be useful, the Subcommittee expressed doubts that the inventory would be used, and expressed concern about the input required to set up the initial inventory and to maintain it (see E/CN.3/AC.1/1998/L.10). However, ACC subsequently asked its Subcommittee to pursue, on a priority basis, promoting greater commonality in indicators and ensuring greater consistency between global indicators. The Subcommittee was requested to report to the Consultative Committee on Programme and Operational Questions on its findings and conclusions.

7. In addition to the efforts of ACC, a variety of bilateral consultations on selected indicator sets has taken place between concerned agencies. Furthermore, the United Nations Development Assistance Framework (UNDAF) process was launched as part of the United Nations reform programme. In this context the agencies of the Utnited Nations Development Group have cooperated to define a set of indicators for the common country assessment.

D. Other players

8. The problem is of course not limited to United Nations agencies. The Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD/DAC) has formulated a list of 20 indicators, mainly to create an instrument to make a rational assessment of where official development assistance (ODA) resources should be allocated most effectively. The World Bank publishes *World Development Indicators* and the International Monetary Fund has just embarked on the promotion of its General Data Dissemination System, which includes a social indicator module. In addition, an increasing number of non-governmental organizations is involved in the production and dissemination

of indicators in their respective fields of concern. It is proposed to continue to engage all the above institutions in a constructive dialogue on this topic.

E. Role of the United Nations Statistics Division

9. The United Nations Statistics Division is offering to assume a "facilitator" role. The objective is not to select or evaluate any indicator. Also, the Division has no particular set of indicators to champion. The proposed role is the rather modest one of an honest broker, initiating dialogues and debates and providing technical inputs, where required. The Division is naturally positioned for this initiative since it assumes the secretariat function for the ACC Subcommittee on Statistical Activities, which includes not only the United Nations agencies as members but also the Bretton Woods institutions, OECD and the Statistical Office of the European Communities (Eurostat). In addition, since the Division is working through the Statistical Commission in close cooperation with the national statistical agencies of member States, it is well aware of the problems at the national level.

F. Possible actions to be taken by the Executive Committee on Economic and Social Affairs

10. Any attempt to harmonize and rationalize development indicators must be an incremental one. Mindful of this principle, the Executive Committee is invited to discuss this issue, and is asked:

(a) To agree on the commitment of its members to work together in a collaborative effort towards a solution;

(b) To create/invigorate a working group on indicators, comprising both producers and users, to elaborate an incremental process for the harmonization and rationalization of development indicators. The working group will present a progress report, including recommendations, to the Executive Committee;

(c) To give the United Nations Statistics Division a mandate to prepare together with all agencies a United Nations system-wide inventory of indicators for possible posting on the Internet;

(d) To ask the agencies involved to use the UNDAF pilot countries to study together with the United Nations Statistics Division the impact of the indicator problem at the country level.

Notes

[a] A comparison between three sets of indicators, the Minimum National Social Data Set (MNSDS — 15 indicators), the Organisation for Economic Cooperation and Development/ Development Assistance Committee core indicator set (20 indicators) and the United Nations Development Assistance Frameworks common country assessment (35 indicators) shows that there are only six identical indicators common to all three sets.

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Report on poverty statistics

Note by the Secretary-General

The Secretary-General has the honour to transmit to the Statistical Commission the report of the Rio Group on Poverty Statistics (Convener: Brazil), which is contained in the annex to the present report. This report also contains the conclusions of a recent seminar on poverty statistics co-organized by Brazil and the Economic Commission for Latin America and the Caribbean (ECLAC). The report is transmitted to the Commission in accordance with a request of the Statistical Commission at its twenty-ninth session,[1] (and in accordance with a request of the Working Group on International Statistical Programmes and Coordination at its nineteenth session) (E/CN.3/1999/20, paras. 25 and 13 (c)).

The Statistical Commission is invited to discuss whether the mandate of the Group is focused and whether the objectives are clear and attainable. The Commission may also wish to comment on the proposals for future work.

Notes

[1] *Official Records of the Economic and Social Council, 1997, Supplement No. 4* (E/1997/24), para. 67 (d) and (e).

* E/CN.3/1999/1.

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Annex

Report on poverty statistics

Contents

		Paragraphs	*Page*
I.	Summary of activities and main conclusions	1–9	3
II.	Present status of work	10	4
III.	Future activities of the Rio Group on Poverty Statistics	11	4

I. Summary of activities and main conclusions

1. The main objective of the expert group known as the Rio Group on Poverty Statistics was to harness the experience and concerns of the different groups and organizations in the world that are working in the area of the measurement, interpretation and use of poverty statistics, especially when the work is being done by or in close contact with statistical offices.

2. The identification of the indicators, methodologies and statistical sources being used should allow the preparation of a document or reports reflecting the state of the art in matters of poverty measurements, common procedures and best practices. Simultaneously, the most important difficulties could be identified and experts working with similar problems and topics could cooperate and thereby improve the quality and relevance of measurements.

3. In 1996, in the Working Group on International Statistical Programmes and Coordination of the Statistical Commission, it was decided that Brazil would chair the expert group and that the Economic Commission for Latin America and the Caribbean (ECLAC) would act as a secretariat. Since then, two meetings have been held, the first one in Santiago from 7 to 9 May 1997 and the second one in Rio de Janeiro from 13 to 15 May 1998. Two documents containing a summary and papers of each seminar have been produced and are available at the Web site <http://www.ibge.org/poverty>. In paragraphs 4–9 below, the most important conclusions of the seminars in relation to poverty statistics are presented.

4. The most frequent and important measurements of poverty can be classified in three groups:

(a) Absolute poverty;

(b) Relative poverty;

(c) Subjective poverty.

In the area of absolute poverty, the most frequently used methods are poverty lines and unmet basic needs. Absolute poverty is more frequently used in developing regions, while relative poverty is used in developed regions. There is less experience in regard to subjective poverty owing to the fact that measurements are more recent.

5. The most frequently encountered methodological challenges related to the income or consumption insufficiency method (poverty lines) are:

(a) Establishment of standards;

(b) Measurement of standards;

(c) Conceptual and operative problems associated to the measurement of household income and consumption;

(d) Public social expenditures;

(e) Equivalencies in consumption and scale economies;

(f) Poverty indicators.

6. In relation to the unmet basic needs method, the methodological challenges most frequently identified were:

(a) Selection of social indicators and threshold definitions;

(b) The aggregation problem;

(c) Comparison in time and space;

(d) Unmet basic needs maps and geographical information systems.

7. In regard to relative measures of poverty, the most important methodological challenges are similar to those of the poverty line method. The difference has to do with the fact that the normative budget is not derived from an analysis of the requirements for satisfying basic needs but rather is defined taking into account the income distribution within households.

8. In regard to information, it is clear that the four main sources are:

(a) Household surveys;

(b) The population census;

(c) National accounts;

(d) Administrative records.

In regard to household surveys, a very important distinction can be established between countries that have and countries that do not have panel surveys. In any case, the experience of longitudinal analysis is in general very short over time. It is also important to establish that poverty measurement has in many cases been a very dynamic factor as regards the progress in statistical production. In all cases, it has been recognized that available information is still highly insufficient in relation to the growing demands in the field.

9. An important distinction between a synthetic poverty indicator (head count ratio, poverty gap and so forth) and poverty statistics has been established. The synthetic poverty indicator corresponds, as is the case in many other statistical fields, to the demand of a political system that wants to establish the magnitude of the problem and to monitor the result of policies through a synthetic indicator (rate of

growth of gross domestic product, open unemployment rate). Poverty statistics are closely related to the demand of those who design and monitor policies in a disaggregated way. It has been recognized that once an indicator has been established, the most common situation is one where households under poverty constitute a very heterogeneous group which needs different combinations of policies. Therefore, in the field of poverty statistics the objective is to establish relations between this phenomenon and its causes which are normally associated to variables such as education, employment, income distribution, demography and the geographical distribution of the population.

II. Present status of work

10. In the Rio de Janeiro seminar, the Rio Group concentrated on the following topics:

(a) Political status of poverty estimates;

(b) Methodological issues:

(i) Regional estimates of poverty;

(ii) Normative criteria;

(iii) Updating of poverty lines;

(iv) Use and type of equivalent scales;

(v) Heterogeneity of poverty;

(vi) Quality, quantity and price of items of expenditure;

(vii) Clusters of the poor according to different indicators;

(c) Statistical sources:

(i) Estimates based on different sources;

(ii) Panel surveys;

(iii) Estimates based on different surveys;

(iv) Process of policy-making and progress of statistical sources.

III. Future activities of the Rio Group on Poverty Statistics

11. A report of the Rio meeting and a paper prepared by the Chairman are being circulated among the participants, after which a document containing the principal results of both seminars will be prepared. Taking into account the stage of development of work under way and the interests of participants, a decision by the Chairman and the secretariat will be made on the convenience of calling a new meeting.